

**Police Pension Fund
Board Minutes
Of
April 10, 2008**

PRESENT: David M. Cituk, William Heim, Michael A. Fizz, Steven E. Houpp, Louis R. Rizzuto (Solicitor), Toyia Reed (HR Coordinator/Pension)

ABSENT: Thomas McMahon, Ryan Hottenstein

AUDIENCE: Craig Christman, Mark Stump

ORDER: Meeting was called to order by David M. Cituk @ 10:05 A.M.

PRESENTER: **1. Roger Barilani – Wachovia Securities**
Nick Yaniello – Wachovia Securities
Re: Portfolio Performance Review
Decision on Systematic Financial Mgmt (Mid Cap Value)
Decision on Fred Alger & Co (Small & Mid Cap Growth)
 Mr. Barilani informed the members of the board that the current portfolio value is \$76.6 million as of yesterday. Mr. Barilani asked if the Board made a decision on the small and mid cap managers as presented at the January meeting where Mr. Yaniello presented the Board with information on small and mid cap managers. Mr. Barilani recommends Fred Alger as a small/mid cap manager. He also recommends Systematic as a mid cap value manager. This matter remains on the table until the next (May) meeting.

MINUTES: **MOTION** by Fizz/Houpp to approve the minutes dated March 13, 2008.....**MOTION PASSED UNANIMOUSLY**

FINANCIAL REPORTS: **MOTION** by Houpp/Heim to approve the following financial Reports ...**MOTION PASSED UNANIMOUSLY.**

| | |
|---------------------------|------------|
| Financial Report | March 2008 |
| Statement of Transactions | March 2008 |

BILLS: **MOTION** by Hottenstein/Houpp to pay the following bills.....
MOTION PASSED UNANIMOUSLY.

| | |
|------------------------------|-------------|
| 1. Lou Rizzuto – Legal Fees | \$ 1,010.00 |
| 2. Milliman – Actuarial Fees | \$ 1,300.00 |

APPLICATIONS: **MOTION** by Heim/Fizz to approve the following application for retirement benefits...**MOTION PASSED UNANIMOUSLY**

Name: Nelson Ortiz
DOH: June 30, 1988
DOR: March 25, 2008
Amount: \$4,134.03/Month

D.R.O.P.
APPLICATIONS: None.

REFUNDS: None.

CORRES-
PONDENCE:

1. MOTION by Houp/Heim to accept the following correspondence as presented...**MOTION PASSED UNANIMOUSLY**

Board Solicitor, Louis R. Rizzuto

**Re: Interpretation of City Council's Ordinance #3-2008
 Cost of Living Increase to Police Pensioners**

Board Solicitor Rizzuto submitted his legal opinion regarding the ordinance passed by City Council which provides a cost of living increase for "Police Pensioners". Solicitor Rizzuto clarified that the date of the police officer's retirement date is the controlling date. He also clarified that surviving spouses are not "police pensioners" but are in fact surviving beneficiaries of the police pensioners benefit and the date of the deceased police officer's retirement controls whether the surviving spouse is eligible for a pension increase under the Ordinance.

2. MOTION by Heim/Fizz to accept the following correspondence as presented...**MOTION PASSED UNANIMOUSLY**

Officer David Lehman

Re: Civilian Buyback

Officer Lehman submitted a letter of intent to buyback (5) years of service via payroll deduction of \$25 per pay.

Criminal Investigator Barry Rambo

Re: Civilian Buyback

C.I. Rambo submitted a letter of intent to buyback 5 years of service via payroll deduction of \$20 per pay.

Officer John Carrasquillo**Re: Civilian Buyback**

Officer Carrasquillo submitted a letter of intent to buyback (5) years of service via payroll deduction of \$10 per pay.

Officer Eric Driesbach**Re: Civilian Buyback**

Officer Driesbach submitted a letter of intent to buyback (5) years of service via payroll deduction of \$25 per pay.

Officer Jacquelyn Flanagan**Re: Civilian Buyback**

Officer Driesbach submitted a letter of intent to buyback (5) years of service via payroll deduction of \$5 per pay.

OLD
BUSINESS:

1. Calendar Year

Pension adjustments have been made for all D.R.O.P participants. Letters informing the D.R.O.P participants have been sent out informing them of their new pension benefit. The difference between the old pension benefit and the new adjusted pension benefit has been sent to Wachovia Securities. The Payroll Office and Wachovia Securities have been notified of the adjusted D.R.O.P amounts. Pension adjustments must now be made on those who have previously retired from the City of Reading Police Department. There has been a claim from Captain Edward Kosmerl that his adjusted pension calculation is incorrect because the salary used was as of January 2005 and he entered the D.R.O.P Program in July 2005. Therefore, his salary as of July 2005 should have been used to calculate his adjusted pension. This matter will be discussed further during next month's (May) meeting.

2. D.R.O.P. Dates

The D.R.O.P. dates have been corrected on the affected DROP participants. Toyia has sent a letter to inform the individual DROP participants who have had their DROP exit dates amended in accordance with the new CBA. Officer Craig Christman brought to the attention of the Board that Officer Dobrosky D.R.O.P date may still be incorrect. Sergeant Mark Stump submitted a letter to the members of the Board informing them of his intent to appeal the change of his D.R.O.P Exit Date. He also requested a copy of the most recent copy of the D.R.O.P Manual in an effort to go by the rules and make his appeal. The D.R.O.P manual is currently in duplication. The manual can also be placed on the City of Reading website.

**NEW
BUSINESS:**

**1. Retiree, Fred Yerger
Retiree, Ronald Williams
Re: Cost of Living Adjustment**

Pension records show that Fred Yerger retired 11/1/1989. He claims that his retirement was based on salary of 1983. Pension records show Ronald Williams retired 6/26/1990. He claims his retirement is based on salary of 1987. Cost of Living Adjustment was based on the dates of retirement. Both claim that their retirement dates are incorrect due to the 20 & out factor that was taken away & resolved through court. They also claim that they brought back Military Time. Board Solicitor Rizzuto stated that for COLA purposes they would be entitled to the COLA based on the date that his retirement was based on. There may be others that are affected by this matter.

**2. Board Member, Steven Houp
Re: Position of Ryan Hottenstein
Finance Director/Acting Managing Director**

At the present time, Ryan Hottenstein is the Finance Director and Acting Managing Director. He is performing the duties of both positions. Is he prohibited from sitting on this Board? Board Solicitor Rizzuto stated that since Ryan is still the Finance Director and is Acting Managing Director, he is still considered an active member of this Board.

ADJOURNMENT: **MOTION** by Heim/Fizz to adjourn @ 10:49 A.M.

Respectfully submitted: _____
HR Coordinator/Pension